

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**  
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

03-03-2

2. STATE:

CA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

July 1, 2003

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☒ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 433.51

7. FEDERAL BUDGET IMPACT:

a. FFY 03-04 \$ 2.6 million

b. FFY 04-05 \$ 10.4 million 10.125 M

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19 B pages 51-53 51a, 51b, 51c

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:

Enhanced Payments To Private Trauma Hospital

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

The Governor's Office does not wish to review State Plan Amendments.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Stan Rosenstein

14. TITLE:

Deputy Director

15. DATE SUBMITTED:

8/30/03

16. RETURN TO:

Department of Health Services

Attn: State Plan Coordinator

1501 Capitol Avenue, 71-4083

Sacramento, CA 95814

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

September 30, 2003

18. DATE APPROVED:

March 31, 2005

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 1, 2003

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

Linda Minamoto

22. TITLE:

Associate Regional Administrator

23. REMARKS:

Pen-and-ink Changes agreed to by DHS via email dated March 16, 2005.

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA

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**ENHANCED PAYMENTS TO PRIVATE TRAUMA HOSPITALS**

This segment of the State Plan describes an enhanced Medi-Cal payment for outpatient hospital trauma and emergency services to private hospitals within Los Angeles County and Alameda County that have demonstrated a need for assistance in ensuring the availability of essential trauma services for Medi-Cal beneficiaries, and that meet the requirements in Section A, below.

**A. DEFINITION OF AN ELIGIBLE TRAUMA HOSPITAL**

A Trauma Hospital is eligible only if it is a privately owned hospital and continuously has all of the following characteristics during the period for which payments are made:

1. Is capable of treating one or more types of potentially seriously injured persons and has been designated as part of the regional trauma care system by the local Emergency Medical Service (EMS) agency, in accordance with Health & Safety Code section 1798.160.
2. Maintains specialized equipment and a panel of physician specialists available at all times to treat trauma patients, as required by California Code of Regulations, Title 22, sections 100259 [for Level I and Level II Trauma Centers], 100261 [for Level I and Level II Pediatric Trauma Centers], 100263 [for Level III Trauma Centers], and 100264 [for Level IV Trauma Centers].
3. Provides trauma and emergency medical services to Medi-Cal beneficiaries.
4. Has a contract in effect with the local EMS agency.
5. Has received certification from the local EMS agency that the enhanced trauma hospital payments would help ensure continued access to trauma services for Medi-Cal beneficiaries within Los Angeles County or Alameda County.

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TN: 03-032Supercedes TN: N/A Approved: MAR 31 2005 Effective Date: JUL 1 2003

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA

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6. Has a contract in effect with the California Department of Health Services (DHS) that complies with the requirements set forth in Section B, below.

**B. ENHANCED TRAUMA HOSPITAL PAYMENTS -- AUTHORITY AND METHODOLOGY**

Notwithstanding any other provision of this Attachment, DHS may contract to provide enhanced trauma payments to Eligible Trauma Hospitals pursuant to Welfare and Institutions Code sections 14087.3 or any similar or successor statutory authority.

1. The enhanced trauma hospital payments provided by DHS shall be specified in the contract and shall be based on negotiated amounts for Medi-Cal trauma and emergency room services provided in a hospital outpatient department of the Eligible Trauma Hospital, except when such services are immediately followed by an inpatient admission.
2. (a) The enhanced trauma hospital payments that are negotiated will take into account the recommendation of the local EMS agency and will not exceed the aggregate of all Eligible Trauma Hospitals' uncompensated costs of providing outpatient hospital services to Medi-Cal beneficiaries within the participating county. For purposes of determining this payment limit, each Eligible Trauma Hospital's uncompensated costs for Medi-Cal outpatient hospital services will be determined for the immediately prior fiscal year (based on the hospital's most recently filed Medi-Cal cost report, in a format specified by DHS), and will include the uncompensated costs of trauma and emergency services, and all other Medi-Cal outpatient hospital services rendered to Medi-Cal beneficiaries.  
  
(b) A Trauma Hospital's uncompensated costs will also include Medi-Cal's proportionate share of the uncompensated costs incurred for physician availability for trauma and emergency services,

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TN: 03-032

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## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA

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whether or not such costs are recognized as allowable under Medicare reasonable cost principles.

- (c) The Uncompensated costs described in Paragraph B. 2(a), will be determined in accordance with cost reimbursement principles identified in 42 C.F.R. Part 413, and to the extent not governed by Part 413, by Generally Accepted Accounting Principles.
  - (d) Subject to the payment limits set forth in Paragraph B.2(a), an Eligible Trauma Hospital may receive enhanced trauma hospital payments in excess of its individual uncompensated costs, as calculated pursuant to Paragraph B.2(a)-(c), so long as the aggregate Medi-Cal payments to all private hospitals do not exceed the applicable upper payment limit established in 42 C.F.R. section 447.321.
- 3. Differences between the cost data used for purposes of determining the enhanced trauma hospital payment amounts and the final cost information from the settled/audited cost reports will not be reconciled.
  - 4. Any administrative fees imposed by DHS, associated with administering the Enhanced Payments to Private Trauma Hospitals program, may not be considered in the calculation of the uncompensated Medi-Cal costs.
  - 5. Payments will be made on a quarterly, semi-annual or annual lump sum basis or may be made on any other federally allowable basis provided for in the Eligible Trauma Hospital's contract with DHS. Payments will be directly related to the fiscal year in which services are rendered.
  - 6. (a) In no event will total enhanced trauma hospital payments in each County exceed the funds made available by that County for purposes of enhanced Medi-Cal trauma hospital payments plus the related federal reimbursement.

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TN: 03-032

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## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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- (b) Total supplemental payments will be the lesser of the amount of the total county funds (plus federal reimbursement), or the amount of allowable uncompensated costs in the aggregate of all the Eligible Trauma Hospitals within the participating county.

For example, if uncompensated costs, calculated as specified in Paragraph B.2, for the eligible hospitals, are \$1,100,000 in the aggregate, and the counties transfer \$600,000 in eligible funds to DHS, DHS will make supplemental payments of \$1,100,000 to the eligible hospitals.

Conversely, if the uncompensated costs are \$1,100,000, and the counties transfer \$500,000 to DHS, DHS will make supplemental payments totaling \$1,000,000 (assuming a 50 percent Federal Medical Assistance Percentage) to the eligible hospitals.

7. The enhanced trauma hospital payments will supplement, and will not supplant, any current Medi-Cal payments for trauma or emergency services.
8. Total Medi-Cal reimbursement provided to an Eligible Trauma Hospital will not exceed applicable federal upper payment limits as described in 42 C.F.R. 447.321.

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